

Approved For Release 2000/05/16 : CIA-RDP82-00457R000100680001-1

~~CONFIDENTIAL~~

25X1A2g

COUNTRY El Salvador/Nicaragua

DATE DISTR. 14 December 1948

SUBJECT Progress of Plans for the Central American Union

NO. OF PAGES 2

25X1A6a

PLACE
ACQUIRED

CIA LIBRARY

NO. OF ENCLS.
(LISTED BELOW)

DATE OF INF

25X1X6

**SUPPLEMENT TO
REPORT NO.**

1. Dr. Fernando Sandoval, President Castaneda's personal physician and the brains behind the Central American Unionist Plan, stated during the week of 18 November that Castaneda, President Roman y Reyes of Nicaragua, and General Somoza, have decided to go ahead with plans for uniting El Salvador and Nicaragua, in the hope that President Carias of Honduras may be persuaded to join them at a later date.
2. Sandoval expressed the belief that Carias would change his mind should the United States Department of State make known its non-opposition to the plan. Sandoval also said that the prospect of a revolution in Honduras after the completion of the vote-counting on 5 December might decrease the security of Carias' position, and make him more amenable to the idea of union.
3. Sandoval maintained that Carias wished to emulate Somoza's dominance over President Roman y Reyes by using Juan Galvez as a puppet president in Honduras. He added that he did not understand Carias' mention of Mexico as another possible opponent to the Union plan.
4. Jose Valle, who went to Tegucigalpa during the first week of November on behalf of Sandoval to convert Carias and Galvez to the Unionist plan, reported that Galvez' erstwhile enthusiasm had been cooled off both by Carias and by the United Fruit Company.
5. Meanwhile, Sandoval stated, the Unionist plans were developing with no concern for the entry of Guatemala at this time. Sandoval intimated that when Guatemala is asked to join, Col. Francisco Arana, now the Chief of the Armed Forces, will head the government instead of President Arevalo, and that Arana might be supported in his attempt to overthrow the Arevalo regime.
6. Dr. Sandoval indicated that Costa Rica was also being discounted in Union plans at present because of her hazardous financial condition, which would be a burden to the other countries. He stated, however, that Costa Rica would be assisted by loans and trade agreements, and Costa Rican delegates would be welcomed to sit with the committee which will be set up to develop the legal democratic structure.

CLASSIFICATION CONFIDENTIAL

[illegible]

Document No.

NO CHANGE in Class.

☐ DECLASSIFIED

Class. CHANGED TO:

DDA Memo, 4 Apr 77

Auth:

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

25X1A2g

CENTRAL INTELLIGENCE AGENCY

-2-

7. Sandoval made it clear that Salvadoran military force would be used to defend the present Nicaraguan regime against attack, and in this connection he specifically mentioned the Caribbean Legion. Nicaragua would grant amnesty to all unionists now in exile, and in this manner her emigre problem would cease to exist, since nearly all emigres are unionists.

25X1A6a ~~Comment~~. The plans for a Central American union have the appearance of a conspiracy since they have largely been developed without either the knowledge of the public or of the highest officials in Castaneda's government.)

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~